REMARKS

Claims 61-82 remain in the present application. Claims 41-60 are

cancelled herein. Claims 61-82 are added herein. Applicants respectfully submit

that no new matter has been added as a result of the claim amendments.

Applicants respectfully request further examination and reconsideration of the

rejections based on the arguments set forth below.

Claim Rejections – 35 U.S.C. §103

Claims 41-60

Claims 41-60 are rejected under 35 U.S.C. §103(a) as being allegedly

unpatentable over United States Patent Number 7,113,646 to Youn (referred to

herein as "Youn") in view of United States Patent Number 5,974,184 to Eifrig et

al. (referred to herein as "Eifrig"). Claims 41-60 are cancelled herein, and thus,

Applicants respectfully submit that a discussion of the 35 U.S.C. §103(a)

rejection of Claims 41-60 is moot.

Claims 61-82

Applicant respectfully directs the Examiner to independent Claim 61 that

recites a method of AC prediction comprising (emphasis added):

> performing DC prediction, using a first circuit, for a first macroblock
> using DC coefficients associated with at least one macroblock adjacent to
> said first macroblock;
> performing AC prediction, using a second circuit, for said first
> macroblock using AC coefficients associated with said at least one
> macroblock; and
> determining whether an overflow condition is to occur in a first data
> packet if said first macroblock is encoded in said first data packet, wherein
> said determining further comprises <u>determining whether said overflow</u>

condition is to occur based on a quantity of nonzero coefficients
determined responsive to said AC prediction.

Independent Claim 72 recites elements similar to independent Claim 61. Claims
62-71 and 73-82 recite further elements of the invention claimed in their
respective independent Claims.

Applicants respectfully submit that Youn fails to teach or suggest the
elements of "determining whether said overflow condition is to occur based on a
quantity of nonzero coefficients determined responsive to said AC prediction" as
recited in independent Claim 61. As described in the present application, it is
determined whether an overflow condition is to occur based on a quantity of
nonzero coefficients determined responsive to an AC prediction. Support for the
claim amendments can be found in, for example, lines 18-26 of page 25 of the
instant application.

In contrast to the claimed embodiments, Applicants fail to find any
teaching or suggestion in Youn of determining whether an overflow condition is to
occur based on a quantity of nonzero coefficients as claimed. Additionally,
Applicants fail to find any teaching or suggestion in Youn of determining whether
an overflow condition is to occur based on a quantity of nonzero coefficients
determined responsive to an AC prediction as claimed. Accordingly, Applicants
reiterate that Youn fails to teach or suggest the elements of "determining whether
said overflow condition is to occur based on a quantity of nonzero coefficients
determined responsive to said AC prediction" as recited in independent Claim 61.

Applicants respectfully submit that Eifrig, either alone or in combination with Youn, fails to cure the deficiencies of Youn discussed herein. More specifically, Applicants respectfully submit that Eifrig, either alone or in combination with Youn, also fails to teach or suggest the elements of "determining whether said overflow condition is to occur based on a quantity of nonzero coefficients determined responsive to said AC prediction" as recited in independent Claim 61.

For these reasons, Applicants respectfully submit that independent Claim 61 is not rendered obvious by Youn in view of Eifrig. Since independent Claim 72 recites elements similar to those recited in independent Claim 61, Applicants respectfully submit that independent Claim 72 is also not rendered obvious by Youn in view of Eifrig. Since Claims 62-71 and 73-82 recite further elements of the invention claimed in their respective independent Claims, Applicants respectfully submit that Claims 62-71 and 73-82 are also not rendered obvious by Youn in view of Eifrig. Thus, Applicants respectfully submit that Claims 61-82 are allowable.

CONCLUSION

Applicants respectfully submit that Claims 61-82 are in condition for allowance and Applicants earnestly solicit such action from the Examiner.

The Examiner is urged to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Please charge any additional fees or apply any credits to our PTO deposit account number: 50-4160.

Respectfully submitted,

MURABITO, HAO & BARNES LLP

Dated: ___12 / 23 / 2010___   _____/BMF/_____

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